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October 25, 2007

The Honorable Gregory M. Sleet
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE
844 North King Street
Wilmington, DE 19801

VIA ELECTRONIC FILING

Re: *Transmeta Corporation v. Intel Corporation*
C.A. No. 06-633 (GMS)

Dear Chief Judge Sleet:

We write to advise Your Honor that the parties have reached a binding agreement to settle this action and to file a stipulation of dismissal with prejudice no later than by early next year (in the intervening time period, the parties will complete drafting a definitive settlement, license and technology transfer agreement). Accordingly, there is no reason for the Court to address Intel's pending motion to stay. The parties also request that all dates in the Scheduling Order be taken off calendar, including the *Markman* hearing set for December 18, 2007. Counsel are available to discuss any questions Your Honor may have.

Respectfully,

/s/ Jack B. Blumenfeld

Jack B. Blumenfeld (#1014)

JBB/dlb

cc: Clerk of Court (Via Hand Delivery)
John W. Shaw, Esquire (Via Electronic Mail and Hand Delivery)